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EXHIBIT A

OLES MORRISON

OLBS MORRISON RINKER BAKER LLP

Sam E. Baker, Jr. baker@oles.com

May 20, 2016

Via Email

International Chamber of Commerce International Court of Arbitration SICANA Inc. 1212 Avenue of the Americas 9th Floor New York, NY 10036 ica9@iccwbo.org

REQUEST FOR ARBITRATION

On September 12, 2013, JCM Northlink, LLC (JCM) entered into the Rental Agreement (R.A.) with The Robbins Company (TRC) to rent a tunnel boring machine (TBM) for a period of 22 months to bore approximately 18,435 feet of tunnel for the construction of the Northgate Link Extension Contract N125. On April 12, 2016, JCM terminated the Rental Agreement for default. JCM submits its claim for at least \$40,242,052.20 in damages as a result of TRC's performance on this contract.

Claimant

JCM may be contacted at: 123 Northeast 94th St Seattle, WA 98115, phone number 206-384-4700. Oles Morrison Rinker & Baker, LLP represents JCM in this arbitration. Oles Morrison may be contacted through Sam E. Baker, Jr. at 701 Pike St Suite 1700 Seattle, WA 98104, phone number: 206-623-3427, fax number: 206-682-6234, email: baker@oles.com.

Respondent

TRC may be contacted at 29100 Hall Street Solon, Ohio 44139, phone number 440-248-3303, fax number 440-248-1702. Mr. Ian Frank of Frantz Ward has represented TRC during the course of the Rental Agreement. He may be contacted at 200 Public Square Suite 3000 Cleveland, OH 44114, phone number: 216-515-1633, fax number: 216-515-1650, email: ifrank@frantzward.com.

Arbitration Agreement

The Rental Agreement between the parties contains an arbitration clause, which states:

Unless both Parties mutually agree otherwise, it is agreed that any dispute, controversy or claim arising out of or in connection with this Agreement, including any question regarding its existence.

validity or termination, which cannot be resolved amicably, will be finally settled by binding arbitration under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with such Rules. These Rules are deemed to be incorporated by reference in this Agreement. The language of the proceedings will be English. The arbitration shall take place in Seattle, Washington, USA. The decision of the arbitrator(s) shall be final and binding on the Parties. The Parties may not assert any claims, demands, damages or remedies other than those expressly permitted by applicable law, and the express terms of this Agreement, nor shall the arbitrator(s) have any authority to consider such claims or demands, nor award any damages, remedy or relief inconsistent with or expressly prohibited by the terms of this Agreement.

R.A. Article 20.2.

Claim Allegations

JCM's claims include but may not be limited to:

Failure to Provide a TBM Free From Latent Defects

TRC contracted to provide a TBM that would "be free from all latent defects in materials or workmanship." R.A. Article 16.2(i). The TBM TRC supplied to JCM contained numerous latent defects including but not limited to:

- Pinion housings being out of round
- Main bearing teeth with stress fractures
- Improperly programmed Variable Frequency Drives
- Motors that were never auto tuned and magnetized
- Undersized segment hoist
- Transformer overheating and tripping
- Screw gate #1 failing to fully close
- Foam lines and foam ports constantly plugging
- EPB sensors constantly failing
- Profibus modules that continually failed
- Leaky manlock door
- Undersized VFD for the TBM belt
- Tail void grout plugging
- Improper design of the gantries
- PLC program errors

Failure to Exercise Due Care and Diligence

TRC also promised to "execute Scope of Supply with due care and diligence in accordance with the provisions of this **Agreement**." R.A. Article 3.1 (emphasis in the original). TRC failed to perform in accordance with this clause. The Scope of Supply included:

- Supply of equipment by Robbins to JCM
- One Robbins EPBM with a ~6.48m bore diameter along with a Back-up System having arrangements for muck haulage by continuous conveyor
- 2 man-months of on-site Field Service for commissioning the TBM and training of the on-site personnel in the operation of the Robbins supplied Equipment. The service technicians supplied by Robbins should be competent in EPB tunneling and the design of this Robbins TBM with previous experience on a minimum of 2 EPB projects.

R.A. Article 2.1-3

In addition to failing to provide a machine without latent defects as required under R.A. Article 16.2(i), TRC also failed to exercise due care and diligence in the TBM's component construction as required under R.A. Article 3.1. Had TRC exercised due care and diligence, the TBM would not have the quantity and type of defects that JCM experienced. For example, the main bearing bull gear teeth are cracked. JCM asserts this cracking is the result of improper heat treatment during manufacturing. Main Drive #1 failed because the pinion housings imparted a non-uniform load on the outboard pinion bearing, which drastically shortened the bearing life and eventually caused the bearing to crack and fail. JCM asserts the pinion housings were manufactured out of round and/or the mating surfaces were not square or concentric with the main drives.

TRC also failed to exercise due care and diligence in providing estimates to JCM of the number of Onsite First Time Assembly (OFTA) hours it would take to erect the TBM. Rather than the 86 work days proposed to complete the OFTA, the TBM required 135 days. This resulted in an increase of 49 work days – labor and time JCM should not have been required to provide and was unable to anticipate due to TRC's inadequate estimate. The TRC employee that provided the OFTA estimate was not normally responsible for providing OFTA estimates and admitted this estimate should have come from a field manager.

TRC's failure to assign appropriate personnel to perform job functions permeated other areas of the project as well. By way of example, TRC failed to exercise due care and diligence in providing personnel to supervise the TBM's assembly and operation. During assembly, TRC's jobsite personnel asserted that the rotary union, which was full of sand from the TBM's previous job, did not need to be cleaned prior to installation. The rotary union has a critical seal which prevents muck from the mixing chamber from entering the TBM control area. Failure to clean the rotary union would result in the seal functioning improperly and potentially causing harm to the JCM personnel operating the TBM. In fact, the rotary union was required to be replaced when the

TBM arrived at the first refurbishment point because it continually leaked. TRC personnel also directed JCM personnel to attempt to force the Main Drive #1 assembly into the pinion housing despite the fact that the two parts did not fit. This procedure resulted in needing to dry ice the assembly in order to get the pieces to fit together. During operation and refurbishment, the personnel TRC provided to supervise the TBM were inexperienced and caused significantly more damage to the machine in their attempts to repair it. TRC's TBM repeatedly plugged and was not capable of moving through dry sand. TRC sent a highly touted operator to instruct JCM on how it was improperly operating the machine. TRC's operator badly plugged the TBM shortly into his first shift. The TBM's Variable Frequency Drives (VFDs) were not operating correctly even at a slow production rate. When TRC attempted to diagnose the problem, TRC's own actions caused the drives to fail requiring the complete replacement of all 6 VFDs.

TRC failed to exercise due care and diligence in providing complete and accurate manuals and drawings. TRC provided incomplete and inaccurate manuals and drawings, which impacted JCM's ability to construct and operate the TBM. Often, JCM and TRC were required to engineer solutions on site as a result of these problems. TRC's substantial and frequent failures to exercise due care and diligence breached the contract and damaged JCM.

JCM reserves the right to amend this request upon further investigation during the course of discovery.

<u>Damages</u>

JCM has incurred at least \$40,242,052.20 in damages as a result of TRC's breach of contract.

Special Master

JCM requests a special master be appointed to oversee discovery relating to inspections, examination and testing of the TBM, a significant piece of evidence in this dispute. The parties have attempted to mutually determine the scope and timing of the testing to be performed on the TBM but have been unable to reach an agreement. JCM proposes Rick Lovat be nominated as the special master.

Request for Relief

JCM requests relief in the form of:

- At least \$40,242,052.20 in damages as a result of TRC's breach of contract;
- A determination that any and all limitation of liability clauses in the Rental Agreement failed their essential purpose and do not apply to this claim; and
- A special master be appointed to oversee discovery relating to inspections, examination, and testing of the TBM.

Arbitration Particulars

JCM requests three arbitrators. JCM nominates John S. Hunt as an arbitrator. Mr. Hunt may be contacted at:

ADR Services, Inc. P.O. Box 467 Anacortes, WA 98221 (360) 293-0525 Fax: (360) 588-1550 Cell: (206) 953-6015

johnshunt@comcast.net

Per R.A. Article 20 of the Rental Agreement, the venue for the arbitration shall be Seattle, Washington. Per R.A. Article 28.1, Washington state law shall apply. The language of the arbitration shall be English.

Respectfully Submitted,

OLES MORRISON RINKER & BAKER LLP

Sam E. Baker, Jr., Esq.

Bradley L. Powell, Esq. Attorneys for JCM Northlink, LLC

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Rental Agreement No: 082613-R between JCM Northlink, LLC and The Robbins Company for the Supply of a Tunnel Boring Machine and Associated Equipment

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Rental Agreement No: 082613-R between JCM Northlink, LLC and The Robbins Company for the Supply of a Tunnel Boring Machine and Associated Equipment

This **Rental Agreement** No: 082613-R made on this 12th day of September, Two Thousand and Thirteen in Seattle, Washington by and between:

JCM Northlink, LLC - a company duly constituted and existing under the laws of United States of America and having its office located at 120 - 10th Avenue East, Seattle, Washington 98102, USA, hereinafter referred to as "JCM", represented by Mr. Glen Frank in his capacity as "Project Manager", who is duly empowered and authorized for the purpose hereto of the ONE PART;

AND

The Robbins Company – a company duly constituted and existing under the laws of the United States of America, having its office located at 29100 Hall Street Solon, Ohio, USA, hereinafter referred to as "Robbins", represented by Mr. Tyler Sandell in his capacity as "Sales Manager", who is duly empowered and authorized for the purpose hereto of the OTHER PART;

Both and/or each of them hereinafter shall be referred to as "the Parties" or "the Party", as the case may be.

WHEREAS:

- (a) Sound Transit (hereinafter referred to as the "Owner" has awarded the construction of the Northgate Link Extension Contract N125 hereinafter referred to as the Tendered Work) to JCM;
- (b) JCM is a reputed and experienced Limited Liability Company engaged in heavy construction business including construction of large diameter metro and utility tunnels and having requisite experience to satisfy the qualification criteria prescribed by the Owner;
- (c) Robbins is a manufacturer of Tunnel Boring Machines (TBMs) of all diameters with Back-up and matching systems for removal of excavated material:
- (d) JCM and Robbins entered into a supply Agreement as initiated by a Letter of Intent (LOI) issued to Robbins by JCM dated 26 August 2013.

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained the parties agree as follows:

Article 1: Definitions and Interpretation

- 1.1 **Definitions:** In this **Agreement** (as hereinafter defined) the following words and expressions shall have the meanings hereby assigned to them:
 - 1.1.1. "Agreement" means the present Rental Agreement for supply of Equipment.
 - 1.1.2. "Contractor" means JCM Northlink, LLC (JCM).
 - 1.1.3. "Delivery Milestone" means the date the Equipment is ready for EXW delivery per INCO terms 2010

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- 1.1.4. "Engineer" means the person appointed by the Owner to act as Engineer for the purposes of the Main Agreement.
- 1.1.5. "Equipment" means the machinery, plant and equipment supplied by Robbins for boring the Project, which includes the Robbins EPBM and Back-up System as noted in Annex-3.
- 1.1.6. "Main Agreement" means the Agreement entered into between the Owner and the Contractor for execution of the Tendered Work.
- 1.1.7. "Optional Equipment" means auxiliary equipment, accessories or systems priced optionally and/or not included in the scope of supply.
- 1.1.8. "Owner" means Sound Transit:
- 1.1.9. "Persons" means any individual, corporation, partnership, association, joint stock company, trust, unincorporated organization, joint venture or the Government;
- 1.1.10. "Price" means the price as set forth in the Agreement payable by JCM to Robbins pursuant to the terms of this Agreement for supply of Equipment by Robbins to JCM;
- 1.1.11. "Purchase Price" means the price to purchase the Equipment in lieu of Rental per this agreement.
- 1.1.12. "Project" means the boring of the Sound Transit Northlink N125 Project;
- 1.1.13. "Supply Schedule" means the itemized scope of supply and pricing for the Equipment that Robbins shall supply to JCM on a rental basis as mutually agreed between the Parties;
- 1.1.14. "Site" means the site/sites to be provided by JCM, where the Equipment is to be deployed;

"Specifications" means the description, technical standards, and operational requirements, of the Equipment to be supplied by Robbins as contained in Annex-2 hereto; in addition to the relevant sections of the Contract Documents in the Main Agreement. These are limited to: Section 31 71 19 - Tunnel Excavation By Tunnel Boring Machine and CN 0001-13 Volume 4 - Geotechnical Baseline Report

1.1.1. "Tendered Work" means the works to be executed by JCM, as a Contractor, under the performance of the Main Agreement.

1.1.2.

- 1.2 Headings in this Agreement are for convenience only and shall not affect or be taken into consideration in the interpretation or construction of any provision of the Agreement.
- 1.3 Words imparting persons or Parties shall include firms, corporations and any entity organization having a legal existence or presence.
- 1.4 Words imparting the singular only also include the plural and vice versa where the context so requires. Similarly, all words indicating masculine only shall also include the feminine and vice versa, where the context so requires.
- Any acceptance, consent or approval required under or pursuant to any provision of this Agreement shall be valid and effectual only if it is in writing signed by the authorized representative of the concerned Party duly authorized in that respect, or their designee.
- 1.6 This **Agreement** supersedes all prior written, oral, express or implied understandings, promises, representations and agreements reached and/or executed by the **Parties** in relation to the subject matter of this **Agreement**.

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- 1.7 All Annexes hereto form an integral part of this Agreement.
- This Agreement, and the Contract Documents attached and referenced herein, shall be ranked in the following order of precedence: (1) the Agreement, (2) Annex 1 Supply Schedule, (3) LOI dated August 26th, 2013, (4) Robbins Commercial Proposal #050313-1-C Rev 3 and (5) Equipment Specification (Robbins Technical Proposal #050313-1-EPB-T-REV 3, (6) Rental Equipment Return Requirements, (7) Section 31 71 19 Tunnel Excavation By Tunnel Boring Machine and (8) CN 0001-13 Volume 4 Geotechnical Baseline Report the event of any discrepancy or conflict between the Contract Documents, the higher ranking document, as specified in this Article 1.8, shall prevail.

Article 2: Scope of Supply

- 2.1 The Scope of Supply shall include the supply of Equipment by Robbins to JCM as per the Supply Schedule (Annex 1).
- 2.2 One (1) Robbins EPBM with a -6.48m bore diameter along with a Back-up System having arrangements for muck haulage by continuous conveyor.
- 2.3 Robbins shall supply two (2) man-months of on-site Field Service for commissioning the TBM and training of the on-site personnel in the operation of the Robbins supplied Equipment. The service technicians supplied by Robbins should be competent in EPB tunneling and the design of this Robbins TBM with previous experience on a minimum of 2 EPB projects. To be invoiced separately
- 2.4 In case JCM and/or the Owner request additional or different Equipment to that described in this Agreement, Robbins will study the possibility of carrying out the request and, where possible, will inform as soon as possible of the cost and delivery impact of the request. Both Parties will sign an amendment to this Agreement prior to proceeding with the request for the supply of additional or different Equipment.

Article 3: Obligations of Robbins

- 3.1 Robbins shall, execute Scope of Supply with due care and diligence in accordance with the provisions of this Agreement.
- 3.2 Robbins shall deliver the Equipment as specified in Annex 1 and Annex 2 and Annex 4.
- 3.3 Title of the equipment during the rental period shall remain in the name of The Robbins Company

Article 4: Obligations of JCM

- 4.1.1 **JCM** shall be obliged to make timely payment to **Robbins** per the terms of Article 11 of the **Agreement**.
- 4.1.2 JCM shall complete all the enabling works necessary to accept delivery of the Equipment ready for site assembly.
- 4.1.3 It shall be presumed that the persons working under the control of JCM shall be acting pursuant to its sole supervision and direction.
- 4.2 JCM shall operate and maintain the Equipment in strict accordance with Robbins manuals, written instructions and/or recommendations, and such strict compliance shall be an express condition precedent to JCM asserting any claim pursuant to Article 16 of this Agreement or otherwise pursuing any damage, remedy or relief relating to any alleged defect in the Equipment.
- 4.3 JCM must return the Equipment to Robbins Seattle area storage facility not later than 36 months from its date of delivery EXW Robbins workshop. In the case that the Equipment is not returned to Robbins complete and per the terms of this Agreement, for any reason

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whatsoever, including JCM not returning the Equipment within 36 months of its delivery EXW Robbins workshop, or the total loss or destruction of the Equipment, or JCM's simply electing to purchase the Equipment at any time in lieu of continuing to rent the Equipment, the parties agree that JCM shall purchase the Equipment from Robbins for a price of \$9,650,000 plus the price of any included Optional Equipment (the "Purchase Price"). In that event, 95% of rental payments received into Robbins' account per Article 11 of this Agreement shall apply toward payment of the Purchase Price of the Equipment. JCM shall pay the balance due to Robbins within 30 days of receipt of Robbins invoice for the balance due for purchase of the Equipment. JCM shall provide a bond as security for such payment, from a source acceptable to Robbins, in the value of \$6,000,000. The bond shall be put in place prior to delivery of the Equipment EXW and is a condition for the loading of the Equipment EXW Robbins workshop. The bond shall remain valid for a period of 42 months from the Delivery Milestone or when JCM returns the Equipment to Robbins per the terms of the Agreement or whichever comes sooner.

- 4.4 JCM shall be responsible to maintain the equipment and return the Equipment at completion of the rental period in accordance with Annex 6
- 4.5 It is noted that the Cargo Preference Act also known as "Ship America" is required per the Main Agreement. JCM accepts that the equipment is to be delivered EXW Robbins workshop in the USA. Should MARAD not accept that the delivery complies with "Ship America" under the main agreement, both JCM and Robbins will work together to provide the necessary documentation as required by MARAD for compliance. Any additional costs associated with MARAD compliance for Ship America will be to the account of JCM.

Article 5: Obligations of the Parties

- 5.1 Neither Party shall, without the prior written consent of the other Party (which consent, notwithstanding the provision of Sub-Article 1.5, shall be at the sole discretion of the other Party), assign the Agreement or any part thereof, or any benefit or interest therein or there under, other than by:
 - 5.1.1 a charge in favor of Robbins' bankers of any monies due or to become due under this Agreement, or
 - 5.1.2 assignment to a Party's insurers (in cases where the insurers have discharged the Party's loss or liability) of the Party's right to obtain relief against any other party liable, except a Party to this Agreement, it being understood that the Parties mutually waive all rights of subrogation for the insurances required by this Agreement, or
 - 5.1.3 transfer of a **Party's** contractual rights and obligations made pursuant to a corporate merger and / or restructuring.

It is further clarified that nothing in this clause shall prevent Robbins from sub-contracting any aspect of its performance of this Agreement to its authorized Persons provided that Robbins is responsible for its obligations in respect of such sub-contracted activity, including manufacturing of Equipment and entitled to its rights under this Agreement. Also, even after sub-contracting part of the activity, only Robbins shall have privity of Agreement with JCM with respect to the subject matter of this Agreement.

Article 6: Variations, Changes, Claims, Delivery LDs

- 6.1 Variations and Changes (Price and Time)
 - 6.1.1 JCM may, without invalidating the Agreement, and prior to completion of the portion of the Tendered Work utilizing the Equipment, may, by written notice,

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request Robbins to supply additional or different Equipment to that which is set forth in this Agreement, to carry out modifications or variations to the Equipment, or to perform additional or different services. Within a reasonable time after receiving such written notice, Robbins shall provide a written summary of the additional costs and expenses, together with reasonable overhead and profit, relating to the requested changes, modifications or variations, as well as any anticipated extensions of, impacts to, or other delays or disruptions affecting the Supply Schedule and/or Delivery Milestone. JCM shall be required to pay Robbins for the reasonable costs and expenses related to the performance of any requested changes, modifications or variations to the Equipment or associated services, plus reasonable overhead and profit, by executing an Amendment or Change Order to the Agreement that equitably adjusts the Price set forth in Article 10. Robbins shall also be entitled to an equitable adjustment of the Equipment delivery deadline and other related dates set forth in the Delivery Milestone to fairly and reasonably adjust such dates in accordance with the additional time necessary to perform the necessary changes, modifications or variations. In the event the Parties are unable to agree upon and execute an Amendment or Change Order that fairly and equitably adjusts the Price and Delivery Milestone to compensate Robbins for the cost and time impacts of the requested change, Robbins shall not be obligated to perform any such changes, modifications or variations. It is understood by the Parties that the execution of an Amendment or Change Order is an express condition precedent to Robbins' obligation to proceed with any such request.

- 6.1.2 The rates, if any, stated in this **Agreement** and its attached Annexes, shall apply to the valuation of any requested changes, modifications or variations, where applicable. If no applicable rates are reflected herein, or otherwise agreed by the **Parties**, changes, modifications and variations shall be calculated using the costs, expenses and charges actually incurred or reasonably anticipated by **Robbins**, plus reasonable overhead and profit.
- 6.1.3 Time Extensions and Delays. If Robbins is delayed or disrupted at any time in the design, manufacturing, engineering, or delivery of the Equipment, or performance of any other services or obligations required by this Agreement, by (a) agreed changes, modifications or variations; (b) delays beyond Robbins control to completion, removal and shipment of the Equipment from its current project (c) any Force Majeure event, including without limitation, tidal wave, lightning, earthquake, cyclone, hurricane, labor dispute, fire, legal strikes or lock-outs, war, riots, or acts of public enemies including terrorists, or other abnormally adverse weather conditions; and/or (d) any act or omission of JCM, the Owner or any third party for whom they are responsible, then the dates relating to the performance of Robbins' obligations as set forth in the Supply Schedule shall be extended by Change Order for a reasonable time.
- 6.1.4 Concurrent Delay In addition to the excusable delays and disruptions described in Article 6.1.3, Robbins shall not be responsible for any delay or disruption in fulfilling any of its obligations under this Agreement, and shall be entitled to a Change Order extending any applicable deadline, if JCM fails to perform any of its obligations related to acceptance of the Equipment or otherwise providing all necessary and adequate equipment and other resources to accept delivery of the Equipment. Robbins shall be responsible only for delays caused by Robbins, and only to the extent such delays are not concurrent with or do not precede a delay or disruption caused by JCM, the Owner, or a third party for whom they are responsible.
- 6.1.5 Robbins shall be entitled to additional compensation to fully and fairly compensate it for any additional costs or expenses incurred as a result of delays or disruptions caused by JCM, the Owner, or any subcontractor, supplier, agent or other third-party for whom JCM is responsible.

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6.2 Delivery Penalty - Liquidated Damages (LD)

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- 6.2.1 JCM shall prepare the jobsite to begin receiving the Equipment on the Delivery Milestone.
- A delivery penalty (LD) shall apply for each day of delay do to the fault of 6.2.2 Robbins to provide the TBM ready for shipment after the Delivery Milestone. Due to the difficulty in computing the actual material loss and damages that will result from a delay in the TBM delivery, it is determined in advance and agreed by the parties hereto to cover all damages and loss, that Robbins will pay JCM the amount of \$1,000 USD (One thousand US Dollars) per calendar day, after the Delivery Milestone, until the TBM is ready to ship to the job site or for one hundred forty (140) calendar days (whichever comes sooner). If the TBM is not ready to ship within one hundred forty (140) days, up to a maximum of one hundred fifty five (155) calendar days after the Delivery Milestone, Robbins will pay JCM the amount of \$5,000 USD (Five thousand US Dollars) per day until the TBM is ready to ship to the job site. If the TBM is not ready to ship within one hundred fifty five (155) calendar days after the Delivery Milestone, Robbins will pay JCM the amount of \$10,000 USD (Ten thousand US Dollars) per day until the TBM is ready to ship to the job site.
 - 6.2.2.1 Robbins will not be obligated to pay penalties if the jobsite is not ready to accept the Equipment and commence assembly and commissioning.
 - 6.2.2.2 LDs for late delivery shall not apply if Robbins provides any missing components after the **Delivery Milestone** which does not delay the site assembly.

6.3 Claims

- Robbins shall provide written notice, within fourteen (14
 Days after discovery of any information that supports a claim for additional costs or time, of its intention to pursue a claim for an equitable adjustment of the Price, Supply Schedule and/or Delivery Milestone. The written notice shall include sufficient details regarding the circumstances relating to the claim, as well as the additional costs or expenses that are known or anticipated at the time of the notice, to permit JCM to respond.
- 6.3.2 The Parties shall endeavor to resolve any claims for which Robbins has provided written notice. In the event the Parties are unable to reach an amicable agreement, any disputes or disagreements regarding a claim for additional costs or expenses, equitable adjustments and extensions of the Delivery Milestone, shall be determined in accordance with Article 20 of this Agreement.
- 6.4 Differing or Changed Site, Subsurface or Concealed Conditions
 - During the performance of this Agreement, including the delivery and/or 6.4.1 testing of the Equipment, and during the performance of the tunneling portion of the Tendered Works, if subsurface, latent physical, or otherwise concealed physical conditions are encountered at the Site or elsewhere on the Project that differ materially from those indicated in this Agreement or other relevant contract documents, including the Main Contract, or differ materially from those represented in writing by JCM, the Owner, or their consultants, or if unknown subsurface or concealed physical conditions of an unusual nature, that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in this Agreement are encountered, either JCM or Robbins shall provide prompt written notice to the other of such conditions and their anticipated impact on the Price, Supply Schedule and/or Delivery Milestone. Robbins shall be entitled to an equitable adjustment of the Price and Supply Schedule and/or Delivery Milestone that fairly and adequately compensates Robbins for any delays, disruptions, interferences or additional costs and expenses, plus

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reasonable overhead and profit, incurred by **Robbins** as a result of the differing or changed subsurface/concealed conditions.

Article 7: Commencement and Time of Completion

- 7.1 The **Delivery Milestone** date is May 13th, 2014 contingent upon this **Agreement** being signed by both parties not later than September 13th, 2013 and payment being made per sub-article 11.1.1 by wire transfer not later than September 20th, 2013.
- 7.2 Delay in payments, delay in finalizing the contract or JCM not being ready to receive the Equipment ready for site assembly is cause for an extension in the Delivery Milestone.

Article 8: Supply Conditions

- 8.1 Robbins shall supply the Equipment EXW Robbins Seattle area Workshop or point of manufacture.
- 8.2 JCM, at its own cost, shall carry out all freight and insurance of all supplies.
- 8.3 All costs towards handling EXW Robbins Seattle area Workshop and transportation of the Equipment to the Site shall be the responsibility of JCM. Should Robbins elect to manufacture the Equipment in another location, JCM will only be liable for the equivalent freight cost and delivery time for transport from Seattle area shop.
- 8.4 All costs for removal, cleaning, packing and freight in accordance with Annex 3 after completion of the project or rental period shall be at the cost of JCM.

Article 9: Inspection

- 9.1 Robbins shall ensure that JCM shall have, at all reasonable times pursuant to a preagreed time schedule, access for the purpose of inspection to Robbins' manufacturing facilities during the design, engineering, manufacture, testing of various components of the Equipment.
- 9.2 Robbins shall also keep JCM informed, through a pre-agreed format of report, of the progress of manufacture of Equipment in the premises of Robbins to enable JCM to keep a track of the progress in manufacture of the Equipment.

Article 10: Price

- 10.1 The prices for the supply are in USD as noted in Article 2 are:
 - 10.1.1 Rental of **Robbins** 6.48m EPBM complete with auxiliary equipment per Annex-1 and Annex-2 \$7.038,250
 - 10.1.2 Minimum Rental Value (United States Dollars)

\$7,038,250

- 10.2 The Price of the rental supply of Equipment shall be \$7,038,250 USD (Seven million, seven hundred and fifty thousand, two hundred and fifty US Dollars). The above Price is for the complete supply of Equipment.is based on the following:
 - 10.2.1 The equipment supply noted in Annex 1, the addition of Optional equipment shall be added to the rental price.
 - 10.2.2 The duration of the rental or possession period is 22 months commencing when the equipment departs the **Robbins** workshop
- 10.3 The aforesaid Price noted is EXW Robbins USA Workshop
- 10.4 The payment terms for any optional equipment selected by JCM, or any change orders accepted by the parties, which result in an increase or decrease in the **Price** shall be

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the same as the payment terms noted in article 11. JCM shall pay within 30 days of receipt of invoice from Robbins the amount due at the time of ordering the optional equipment, or agreeing a change order, per the percentages defined in article 11 and subsequent payments of the Price shall be increased or decreased appropriately.

Article 11: Terms of Payment

- 11.1 Robbins shall be entitled to the following payments from JCM as follows;
 - 11.1.1 \$1,055,738 equal to fifteen percent (15%) of the total **Agreement** value, payable by September 13th, 2013. **JCM** having paid \$200,000.00 upon signing of the LOI, a payment from **JCM** of \$855,738 shall be paid to satisfy this payment.
 - 11.1.2 \$2,111,425.00 equal to thirty percent (30%) of the total **Agreement** value, payable upon shipment of the **Equipment** to Robbins rebuild Workshop;
 - 11.1.3 \$703,825 equal to ten percent (10%) of the total **Agreement** value, payable thirty (30) days after receipt of **Equipment** at Robbins rebuild Workshop;
 - 11.1.4 \$703,825 equal to ten percent (10%) of the total **Agreement** value, payable sixty (60) days after receipt of **Equipment** at Robbins rebuild Workshop;
 - 11.1.5 \$703,835 equal to ten percent (10%) of the total **Agreement** value, payable upon Workshop testing and acceptance;
 - 11.1.6 \$1,055,738 USD equal to fifteen percent (15%) of the total **Agreement** value, payable upon completion of 1,000 foot of tunnel excavation but not later than 150 days after EXW delivery if delay is not caused by Robbins.
 - 11.1.7 \$703,825.00 USD equal to ten percent (10%) of the total **Agreement** value, payable monthly in the amount of \$31,992, commencing at EXW Robbins factory delivery. Rental fee due over a minimum of twenty-two (22) months or balance due at completion of boring, whichever occurs soonest.
- 11.2 Additional rental months, over twenty-two (22), will be charged at the same monthly rate as payment 11.1.7, \$31,992 per month. Partial months will be payable pro-rata.

Article 12: Default of Robbins

- 12.1 Robbins shall be in default; if Robbins:
 - 12.1.1 Has repudiated the Agreement; or
 - 12.1.2 Is in breach of a material obligation under this Agreement and does not remedy or take effective action to remedy the breach within thirty (30) days of receipt of written notice given by JCM to Robbins; or
 - 12.1.3 Suspends, without justification or excuse, the supplies for sixty (60) days or abandons the **Agreement** without any reasons attributable to **JCM** and does not recommence the same within thirty (30) days of the receipt of written notice from **JCM** to **Robbins**; or
 - 12.1.4 neglects or refuses to proceed diligently with the repair or the replacement of defective **Equipment** not conforming under the conditions of the warranty noted under Article 16 within thirty (30) days of a written notice by **JCM** to **Robbins**, unless such refusal is based upon a good faith dispute regarding whether the **Equipment** is defective.
- 12.2 On default by Robbins, JCM shall give written notice to Robbins warning of termination and stating the cause of the warning. If the cause of the warning is not remedied within thirty (30) days of receipt of such notice, the issue shall be discussed

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and if not resolved amicably, JCM shall be entitled to terminate this Agreement by giving at least fourteen (14) days (to be reckoned from the date of receipt of the notice) advance written notice to such effect to Robbins. If Robbins does not agree to the termination, Robbins may refer the matter to dispute resolution in accordance with this Agreement.

Article 13: Force Majeure

- 13.1 Force Majeure shall apply in this Agreement as follows:
 - "Force Majeure" shall mean any circumstances beyond the reasonable control of the Party concerned and shall include, but not be limited to, any of the following matters: confiscation, destruction or requisition by order of any government or any public authority, war, revolution, invasion, insurrection, riot, civil commotion, mob violence, sabotage, blockage, embargo, boycott, military or usurped condition, epidemic, quarantine, accident, breakdown of machinery or facilities, denial of the use of railway, port, airport, shipping service or other means of public transport, strike or lockout or other industrial action by workers or employees, earthquake, flood, fire, or other natural physical disaster or delays beyond Robbins control in removal and shipment of the Equipment from the project it's presently excavating.

Article 14: Default of JCM

- 14.1 **JCM** shall be in default, if either;
 - 14.1.1 JCM fails for at least a period of fifteen (15) days to make due payment to Robbins pursuant to and in accordance with the provisions of Article 11 above; or
 - 14.1.2 **JCM** is in material breach of any obligation under this **Agreement** and does not remedy the breach within fourteen (14) days of notice given by **Robbins** to **JCM** to remedy the breach; or
 - 14.1.3 Robbins is substantially delayed or prevented from continuing the supply of Equipment for reasons attributable to JCM and/or the Owner provided that such delay persists for at least thirty (30) days.
- On default by JCM, Robbins, shall give written notice to JCM of termination and stating the cause of the warning. If the cause of the warning is not remedied within thirty (30) days of receipt of such notice, the issue shall be discussed and if not resolved amicably, Robbins shall be entitled to terminate this Agreement by giving at least fourteen (14) days (to be reckoned from the date of receipt of the notice) written notice to such effect to JCM. If JCM does not agree to the termination, JCM may refer the matter to dispute resolution in accordance with this Agreement.

Article 15: Termination of Main Agreement

15.1 If JCM employment under the Main Contract is terminated, or if the Main Contract is otherwise terminated, for any reason whatsoever before Robbins has fully performed its obligations under this Agreement, then JCM may at any time thereafter by fourteen (14) days' written notice to Robbins, terminate this Agreement for convenience and thereupon comply with Articles 19 and 20 of this Agreement.

Article 16: Warranty by Robbins

Robbins warrants that the Equipment supplied pursuant to this Agreement shall be manufactured / fabricated and free from all defects in materials and workmanship for a period of twelve (12) months from delivery or 2,000 meters of bored tunnel, whichever occurs soonest. Delays exceeding twenty four (24) successive hours caused by TBM warrantable defects shall be cause for a Time extension to the rental period shown in Article 11.2 and there shall be a suspension of rental payments due until 24 hours after the equipment resumes operation.

16.2 Robbins warrants that the Equipment shall:

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- (i) be free from all latent defects in materials or workmanship;
- (ii) be free from any lien, mortgage and other third party rights.
- As an express condition precedent to pursuing a warranty claim pursuant to this Article 16, JCM shall provide Robbins written notice of any alleged defect in the Equipment within forty-eight (48) hours of discovery of the alleged defect, and provide Robbins with a reasonable opportunity to investigate and/or cure the alleged defect. In the event Robbins determines, in its sole and exclusive discretion, that a defect in materials or workmanship in the Equipment exists during the warranty period, Robbins shall at its own cost:
 - (i) correct such defect in the material or workmanship in the **Equipment** by the supply of the replacement part; and
 - (ii) provide supervision and technical support if requested by JCM for repair or replacement of the defective component.

JCM shall furnish all other labor, transportation charges, equipment, materials, tools or other resources, at its expense, to correct any such defects in the Equipment.

16.4 DISCLAIMER OF WARRANTIES - The warranties, agreements and representations set forth in this contract are exclusive and in lieu of all other warranties, agreements and representations concerning quality or performance, written, oral or implied, and all other warranties, including any warranty of merchantability or fitness for purpose, are hereby disclaimed. Under no circumstances will contingent damages, liquidated damages other than those noted in Article 6 (LDs for late delivery) or expenses, be accepted by Robbins.

Article 17: Taxes

17.1 All prices noted or otherwise do not include local tax, or any other sales tax or costs that may apply and are to be borne by JCM. Any State or Local business & occupation tax associated with this transaction is the responsibility of Robbins. Any Personal Property taxes are the responsibility of the TRC as the owner of the personal property.

Article 18: Termination

- 18.1 This Agreement can be terminated on occurrence of any of the following:
 - (i) in accordance with Article 11 for default of Robbins;
 - (ii) in accordance with Article 13 for default of JCM;
 - (iii) by mutual consent of the Parties; and
 - (iv) in accordance with Article 15 on termination of the Main Agreement.

Article 19: Consequences of Termination

- 19.1 If the Agreement is terminated under Sub-Article 18.1 (i) above, Robbins shall be liable to refund to JCM any advance, which remains to be recovered, but in no event shall any such liability, taken together with any payments made by or damages / penalties assessed against Robbins through the date of termination, exceed the maximum liability set forth in Article 26 of this Agreement.
- 19.2 If the **Agreement** is terminated under Sub-Article 18.1 (ii) or 18.1 (iv) above, the consequences of termination shall be as provided in Sub-Article 19.4 below.
- 19.3 In case of termination by mutual consent of the Parties under Sub-Article 18.1 (iii) above, the terms and conditions of such termination shall be as mutually agreed between the Parties.
- 19.4 On termination of this **Agreement** under Sub-Article 18.1 (ii) and (iv) above, **Robbins** shall be paid by **JCM**, in so far as such amount or items have not already been covered by payments on account made to **Robbins** for:

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- (i) all supplies executed prior to the date of termination at the rates and prices, if any, provided in this **Agreement**, or if there are no such rates and prices, then such amount as may be fair and equitable;
- (ii) all equipment properly delivered by Robbins provided Robbins delivers such goods EXW Robbins Workshop or Point of Manufacture;
- (iii) all **Equipment** supplied which has been completely manufactured; partially manufactured, procured or ordered specifically for this project;
- (iv) any other sums to which Robbins may be entitled under this Agreement;
- (v) Robbins' lost revenue that is justifiably due for the terminated portion of the supplies and other works, in the event of termination pursuant to Sub-Article 18.1 (ii) or 18.1 (iv).

Article 20: Arbitration and Settlement of Disputes

- 20.1 In case of any dispute between the **Parties** in connection with, or arising out of this **Agreement**, the **Parties** shall attempt to settle such disputes amicably. **JCM** and **Robbins** will utilize their best efforts to resolve all disputes as quickly as possible by good faith negotiation. If a dispute has not been resolved to the satisfaction of both **Parties** within fourteen (14) business days of it arising, the dispute may be referred to binding arbitration pursuant to the ICC Rules described in Article 20.2 by one of the **Parties** giving written notice to the other.
- 20.2 Unless both **Parties** mutually agree otherwise, it is agreed that any dispute, controversy or claim arising out of or in connection with this **Agreement**, including any question regarding its existence, validity or termination, which cannot be resolved amicably, will be finally settled by binding arbitration under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with such Rules. These Rules are deemed to be incorporated by reference in this **Agreement**. The language of the proceedings will be English. The arbitration shall take place in Seattle, Washington, USA. The decision of the arbitrator(s) shall be final and binding on the **Parties**. The **Parties** may not assert any claims, demands, damages or remedies other than those expressly permitted by applicable law, and the express terms of this **Agreement**, nor shall the arbitrator(s) have any authority to consider such claims or demands, nor award any damages, remedy or relief inconsistent with or expressly prohibited by the terms of this **Agreement**.
- 20.3 The works under the Agreement shall be continued by Robbins during the arbitration proceedings. No payment due or payable by JCM to Robbins shall be withheld on account of such arbitration proceedings unless such payment is the subject of the arbitration proceedings itself.

Article 21: Validity

21.1 The Agreement shall remain in force till the date of completion of this Agreement unless terminated earlier in accordance with Article 18 above.

Article 22: Amendments, Effectiveness

- 22.1 All amendments and additions to this **Agreement** shall be made in writing signed by a duly authorized representative of each **Party (JCM** and **Robbins)**.
- 22.2 The invalidity of any provision of the **Agreement** shall not affect the validity of the remaining provisions.

Article 23: Exchange of Documents and Maintenance of Confidentiality

- 23.1 During the process of execution of the **Tendered Work**, the **Parties** hereto agree to exchange several documents and information in relation to the **Tendered Work** and they agree as follows in connection therewith:
 - (i) All the documents and all information one Party makes available to the other concerning any aspect of the Equipment shall be received and examined by the other Party under the strict obligation of maintaining confidentiality.

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(ii) The aforesaid documents and information shall be treated as confidential information, and its contents shall be exclusively limited to the persons in charge of execution of the **Tendered Work**.

Article 24: Indemnification by Robbins

- 24.1 Robbins shall fully indemnify, save harmless and defend JCM and its directors and personnel (the "Indemnified Parties") from and against any and all losses, costs, damages, injuries, liabilities, claims, demands and causes of action (collectively, "Damages"), directly arising out of and resulting from or related to third party claims associated with this Agreement, to the extent caused by the negligent acts or omissions of Robbins, and to the extent such third party claims relate to personal injury, property damage (other than to the Equipment itself), disease or death. Robbins shall not be held responsible for any consequential loss or indirect damage of any kind.
- 24.2 Robbins shall also indemnify, save harmless and defend the Indemnified Parties from and against any and all Damages with respect to the payments of taxes relating to the income of Robbins or other taxes required to be paid by Robbins without reimbursement hereunder.
- 24.3 JCM shall notify Robbins in writing of any third party claims for which indemnity would apply pursuant to this Agreement. Robbins shall assume on behalf of JCM and conduct with due diligence and in good faith the defense thereof. JCM shall provide support and assistance to Robbins in connection with the defense of any claim to which indemnity provided for herein shall apply.
- 24.4 Nothing in this Article 24 shall expand, modify or otherwise affect the limitation of liability and maximum liability set forth in Article 26, which shall govern (Article 26) in all instances of conflict, ambiguity or discrepancy with any other provision or terms.
- 24.5 The provisions of this Article 24 shall survive the termination of this Agreement.

Article 25: Indemnification by JCM

- 25.1 JCM shall fully indemnify, defend and hold harmless Robbins and any of its subsidiaries, affiliated companies, and any of their officers, employees or agents (collectively "the Indemnified Persons") against any and all claims, demands, proceedings, costs, charges and expenses of any third party arising from any act or neglect of JCM.
- 25.2 In addition, JCM shall indemnify and hold the Indemnified Persons free and harmless against any and all claims, demands, proceedings, costs, charges and expenses of any third party, including any employee of JCM arising out of or in consequence of the execution and completion of the Agreement by Robbins.
- 25.3 JCM shall indemnify Robbins against any damages arising from the misuse by JCM, its agents, servants or workmen, of any items specified in Annex-2 or tools/tackles provided by Robbins and / or interference with the supply of the Equipment by JCM, its agents or workers.
- 25.4 The provisions of this Article 25 shall survive the termination of this Agreement.

Article 26: Maximum Liability under this Agreement

26.1 Notwithstanding anything to the contrary contained herein, the maximum total liability of Robbins under this Agreement, of any and all cause or nature whatsoever, including the damages or penalties reflected in Articles 16, 19 and/or 24, however alleged or arising in relation to the subject matter of this Agreement, whether relating to the delivery or non-delivery of the Equipment, the performance or non-performance of the Equipment or any related services, any act or omission in the performance of Robbins' obligations related to this Agreement, or any failure by Robbins to perform any of its obligations under this Agreement, whether by way of indemnity, statute, contract,

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strict liability, tort (including negligence) or any other basis in law or equity shall not exceed four percent (4%) of the **Price** stipulated in Article 10 hereof.

Except as expressly provided otherwise in this Agreement, Robbins shall in no case be liable in tort, equity, contract or statute to JCM for any indirect, incidental or consequential damages of any kind or description, including without limitation loss of profit, loss of revenue, loss of use, loss or opportunity, loss of productivity or efficiency, delay, disruption, interference, or other pure economic loss. In recognition of the relative risks and benefits to both Robbins and JCM in relation to the subject matter of this Agreement. The risks have been allocated such that JCM agrees, to the fullest extent permitted by law, to limit the liability of Robbins to JCM as provided for in this Article 26.1 for any and all claims, losses, costs, and damages of any nature whatsoever. It is intended that this limitation shall apply to any and all liability or cause of action, however alleged or arising in relation to the subject matter of this Agreement, whether in warranty, contract, strict liability, tort or equity

26.2 At the time Robbins pays to JCM, by reimbursement, set-off or otherwise, four percent (4%) of the funds received towards the Price stipulated in Article 10 of this Agreement in discharge of its liability obligations under this Agreement, it shall not be obliged to pay anything else to JCM under any circumstances, including default or breach of the Agreement by Robbins.

Article 27: Representations of the Parties

- 27.1 Each Party represents and warrants to the other that:
 - 27.1.1 It is a company duly organized, validly existing and in good standing under the laws of the country of its incorporation, has the lawful power to engage in the business it presently conducts and contemplates conducting, and is duly licensed or qualified and in good standing in each jurisdiction wherein the nature of the business transacted by it makes such licensing or qualification necessary.
 - 27.1.2 This Agreement has been duly and validly executed and delivered by the Parties. This Agreement constitutes a legal, valid and binding obligation of the Parties, enforceable in accordance with its terms, except to the extent that its enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting the rights of creditors generally or by general principles of equity.

Article 28: Governing Laws and Jurisdiction

- 28.1 This **Agreement** shall be construed and interpreted in accordance with and governed by the laws of the USA and the State of Washington
- 28.2 JCM hereby submits itself to the jurisdiction of the State of Washington, USA and agrees to accept service of process as if it were personally served within Washington.
- 28.3 The valid language for this **Agreement** and for any other communications between the **Parties** in relation hereto, is English.

Article 29: Miscellaneous

- 29.1 Delay not Walver: It is understood and agreed that any delay, waiver or omission by JCM or Robbins to exercise any right or power arising from any breach or default by Robbins or JCM in any of the terms, provisions or covenants of this Agreement shall not be construed to be a waiver by JCM or Robbins of any subsequent breach or default of the same or other terms, provisions or covenants on the part of Robbins or JCM.
- 29.2 Severability: In the event that any of the provisions, or portions or applications thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, JCM and Robbins shall negotiate an equitable adjustment in the provisions of this Agreement with a view to effecting the purpose of this Agreement, and the

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- validity and enforceability of the remaining provisions or portions or applications thereof, shall not be affected thereby.
- 29.3 Entire Agreement: This Agreement contains the entire Agreement between the Parties hereto with respect to the Scope of Supply, and supersedes any and all prior and contemporaneous written and oral agreements, proposals, negotiations, understandings and representations pertaining to the subject matter hereof.
- 29.4 Amendments: No amendments to or modifications of this Agreement shall be valid unless evidenced in writing and signed by a duly authorized representative of the Parties.
- 29.5 **No Third Party Rights:** This **Agreement** and all rights hereunder are intended for the sole benefit of the **Parties** hereto, and shall not imply or create any rights on the part of, or obligations to, any other **Person** including the **Owner**.
- 29.6 **Title to Equipment:** Title to all Equipment supplied by **Robbins** in connection with this Rental **Agreement** shall vest with Robbins at all times.
- 29.7 **Governing Language:** Except as otherwise specifically indicated in this **Agreement**, all notices, manuals, design and engineering documents and other writings and communication required pursuant to this **Agreement** shall be in English language.
- 29.8 **Time Adherence:** Each of the **Parties** must maintain and perform their respective contractual obligations in a timely manner.
- 29.9 Limited Disclosure about the Agreement: This Agreement is not public, and its disclosure to any third party is not authorized except to the extent required for the completion of the supplies or financial reporting.
- 29.10 Claims by JCM to Owner Robbins Cooperation: JCM will promptly inform Robbins of any claims for the tunneling portion of the Tendered Works. JCM and Robbins shall cooperate in submitting such claims.

Article 30: Notices and Instructions

30.1 All certificates, notices or orders to be given by either Party to the other shall be valid when given in writing by hand, first class postage pre-paid mail or by email delivery, against receipt to the following addresses:

JCM

Mr. Glen Frank JCM Northlink, LLC 120 – 10th Avenue East

Seattle, Washington 98102 USA

Tel. No.: 206-384-4697 Fax No.: 206-384-4699

Robbins

Mr. Tyler Sandell The Robbins Company 29100 Hall Street Solon, Ohio 44139 USA Tel. No.: 440-248-3303 Fax No.: 440-248-1702

- 30.2 Any such notices and other documents shall;
 - 30.2.1 If delivered by hand, be deemed to have been given and received at the place of receipt on the date of delivery;
 - 30.2.2 If mailed, be deemed to have been given and received at the place of receipt on the date of actual receipt. In the event of postal disruption, such notices or documents must either be delivered personally or sent by facsimile transmission.

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30.2.3 If sent by email transmission, be deemed to have been given and received on the date of transmission.

IN WITNESS HEREOF, the Parties hereto have caused this Agreement to be signed in two (2) originals as of the date of first above written by their duly authorized representatives.

| For: JCM Northlink, LLC | For: The Robbins Company |
|-------------------------------|---------------------------------|
| Glen Frank Project Manager | Tyler Sandell- Sales Manager |
| Date: 9/12/13 | Date: 9/12/13 |
| milalli | O-Roh |
| Witness | Witness |
| | |